

Bloomington Industrial Development Advisory Commission
Minutes
April 26, 2005

Roll Call: Ron Walker, Don Moore, Kirk Hobbs, Richard Rampley, Joyce Poling,
and Rhonda Hinds

Approval of Minutes from February 15, 2005

Motion was made by Joyce Poling to approve the minutes from the October 28th meeting. Motion seconded by Kirk Hobbs. Vote was taken and passed with one abstention by Joyce Poling.

New Business

Ron Walker informed the board that the purpose of the meeting is to consider two resolutions which approve expenditures from the Industrial Development Fund (IDF) for reimbursement to Cook Pharmica, Inc. and Shulte Corp. In spring 2004, the City submitted incentive proposals to both Cook Pharmica and Shulte. The incentives offered included IDF funding, matched by State and County funding, for infrastructure improvements at the Indiana Enterprise Center (IEC) as well as IDF monies as a reimbursement for capital investments made by each company.

Ron presented spreadsheets outlining the financial projections from the IDF, including the revenue expected to be generated by Cook Pharmica and Schulte Corporation. The EDGE credits included in the spreadsheet reflect the credits, approved by the State, for each company's payroll. Ron described that they are proposing reimbursing each company for capital investments the company makes. The reimbursement will be limited to 75% or \$450,000, whichever is less, of what the company generates in CRED revenue on an annual basis. In addition to this method of reimbursement, Resolution 05-03 authorized reimbursement to Cook Pharmica for the costs of completing public infrastructure improvements that were originally expected to be completed by the City. The reimbursement for public improvements would be made with any uncommitted CRED funding until the costs of the improvement has been paid in full or the reimbursement totals \$250,000.

Resolution 05-03 Authorize expenditures from the Industrial Development Fund for Cook Pharmica, LLC:

Ron explained that this resolution authorizes a reimbursement up to \$2,000,000 for capital investments made by Cook Pharmica as part of their project at the IEC, and up to \$250,000 in reimbursement for the construction of a new water main. The reimbursement for capital investments will be based solely on the revenue they generate and will be limited to 75% of the revenue or \$450,000, whichever is less, per year. In addition to the \$2 million in capital investments Cook Pharmica will make to the property, the company has offered to build the water main that the City was initially going to pay for, until the costs of road and water main increased so much that the City could not complete the construction. Cook Pharmica will be reimbursed for the costs of the water main, with any available CREED funds that are not already obligated to other uses.

Jason Rager from Cook Pharmica explained the project and the number of employees they will be hiring. Cook Pharmica is a contract pharmaceutical manufacturing company which prepares pharmaceuticals in small batches for biotech companies. As of March 31, 2005, there were 27 full time employees and by the end of 2008, they estimate a total of 200 employees with average annual wages in excess of \$45,000. Through March 31, 2005, investment totaled \$22.9 million in real property and machinery equipment. By the end of 2008, the company estimates expenditures in excess of \$66 million.

Don Moore asked if they could estimate the median wage. Jason responded that they don't have an exact number available, but production employees would be making around \$12 per hour plus benefits, profit sharing, and a 401K match. Qualifications include a mix of BS degrees and high school diplomas. Clerical assistants will be around the \$10-12 range.

A motion for approval was made by Joyce Poling, seconded by Kirk Hobbs, and passed unanimously.

Resolution 05-04 Authorize expenditures from the Industrial Development Fund for Shulte Corporation: Ron explained that this resolution authorized a reimbursement up to \$1,000,000 for capital investments made by Shulte Corp as part of their project at the IEC. The reimbursement for capital investments will be based solely on the revenue they generate and will be limited to 75% of the revenue or \$450,000, whichever is less, per year. Based on the project profile submitted by Shulte outlining their current payroll, the City has estimated that the CRED revenue would be approximately \$160,000 annually with the company's existing jobs. The city will reimburse Shulte for 75% of revenues generated above \$160,000, which will be generated through payroll increases for existing jobs, payroll generated from new jobs as well as any gross retail and use taxes remitted on the site.

Patrick Taylor, Schulte's Vice-President of Operations, explained the manufacturing operations of the company and the scope of the project in the IEC. The company anticipates moving the manufacturing operations into the IEC by August 2005. The investments made by the company include \$14 million of real and personal property. The renovation of the building is around \$7 million. The jobs from the Liberty Drive facility have been retained (approx. 168 jobs) and over the course of five years the company will add 223 jobs if sales growth projections are realized.

A motion for approval was made by Richard Rampley and seconded by Joyce Poling. It passed unanimously.

Adjournment

A motion to adjourn was made by Richard Rampley, and seconded by Don Moore.